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Germany's Commercial Grip on the World: her Business Methods Explained. By HENRI HAUSER, Professor of Dijon University. (New York: Charles Scribner's Sons. 1917. Pp. xv, 259. \$1.65.)

PROFESSOR HAUSER's discussion adds little that is new to the facts bearing on this now very familiar subject. His book was first published in November, 1915, and the present third edition bears date of April, 1916. The preface to this later edition points out that the book was originally written with "no other pretension than to mark a date, to describe a state of affairs existent at a determined moment", and that he had decided "to reprint it again with few alterations".

Under such circumstances, both the facts and the conclusions necessarily lack much of the perspective in which the subject has had to be considered since the United States declared war on Germany, and the South American states, in whose markets Germany had achieved so great commercial successes, either followed our example by declaring war, or else broke off diplomatic relations. Professor Hauser bases much of his discussion on the assertion, which he emphasizes by printing it in heavy type, that

Germany sows during the tempest; victor or vanquished, she will reap the harvest. While her rivals keep silent, refuse to book orders, postpone all talk of business till the morrow of peace, Germany proclaims to all the world that she exists, that her firms are ever powerful, that they will be ready on the first day of peace to answer the call made on them.

This correctly enough described the position of things in the middle of 1915, after only one year of war and before Germany's full development of her submarine war on neutral ships and cargoes. But it may well be doubted if it describes the situation or probabilities as they exist today. Count Luxburg's exploits alone would offset all such continued commercial propaganda as Germany might have undertaken in South America since the beginning of the war. Professor Hauser's assertion that Germany's commercial rivals "keep silent" and "refuse to book orders" in the foreign field had a plausible sound in 1915, when not only had England's exports to such neutral markets been cut in two as compared with 1913, but when even the export trade of the United States with South America and Asia, for the twelve months ending with June of 1915, was smaller by \$47,000,000 than its best pre-war figures. England's sales of merchandise to the neutrals have not appreciably increased since Professor Hauser's book was written; but in the fiscal year 1917 our own country's exports to them had increased no less than \$426,000,000 over the 1915 figure. It may be open to argument whether this huge increase is not temporary; but it certainly does not show inertia among Germany's rivals in capturing her lost foreign trade. Political and economic conditions have alike brought about a different situation from that of two years ago.

Professor Hauser's review of the methods and policies by which Germany achieved her remarkable successes in the field of foreign trade between 1871 and 1914 is comprehensive, though it gives no fresh information to those who have read the numerous discussions published on the subject since the war began. The intensive organization of her home industries, the government subsidies, the patient adaptation of goods to the particular tastes and prejudices of foreign markets, the scientific control by Germany of the "dumping" policy through her "cartels" or trade combinations—all this is duly and clearly explained. So with the less honorable aspects of her foreign trade campaign: the policy of commercial espionage, the propaganda for misrepresenting trade adversaries, the more or less fraudulent imitation of staple goods of those adversaries.

The reader naturally looks for the author's conclusions regarding the future; his views as to what Germany will be able to do in foreign trade after the war, and as to what Germany's present antagonists ought to do. In this direction, the book falls short of the natural expectations. Advice and warning regarding the Allies' policy in their future competition with Germany are in the main directed to France, which must adopt better plans for combination of enterprise, must discard "the red-tape bureaucracy which in France stifles all initiative", and must promote industrial facilities intelligently through the state. But the author gives us no clear view of future conditions as they will apply to England, for instance, or Japan, or the United States, in challenging Germany's commercial grip on the world. He does not advocate the "economic war" after peace. "To boycott Germany is a dream, a nightmare." Nevertheless, as concerns the policy of the Allies, Professor Hauser "can see only one means of acting with efficacy, and that is not to act alone":

It is to be wished that the Entente, after having triumphed on the field of battle, shall find itself still united to-morrow in the domain of economics—an Entente enlarged by the accession of those nations who will wish to accept the conditions of a new Pact of London. If the most-favoured-nation clause must reappear in future commercial treaties, it is important that the effect of it shall be limited only to the signatories of this declaration—that is to say, to those nations which will submit to it in good faith, in all reciprocity. It is also by means of this Entente that we shall be able to fight against dumping.

Perhaps the plainest conclusion which the reader will draw from the numerous contemporary discussions of Germany and the post-bellum foreign market is that we are discussing developments of a future in which the actual controlling causes cannot be foreseen. It is a striking fact that while non-German economists like Professor Hauser are implicitly taking for granted Germany's immediate and successful resumption of her achievements in foreign trade, as soon as her ships are able to sail the ocean again, the high experts in Germany herself are talking

very differently. It was Ballin of the Hamburg Line who publicly predicted, a year ago, that there would virtually be no future for the German shipping industry in the period immediately following the war, because exhaustion of her supplies of raw material would prevent exports, and because a depreciated foreign exchange (which would continue) would make imports so costly as to restrict the power of purchasing them. German newspapers of the more serious sort have been discussing openly what would be Germany's road to a new prosperity, assuming that she could not regain her foreign trade. There will be much to learn, on both sides of the argument, from the real events of those new conditions of national life and national intercourse which will come with the great political and economic readjustment.

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The Rebuilding of Europe: a Survey of Forces and Conditions. By DAVID JAYNE HILL. (New York: Century Company. 1917. Pp. x, 289. \$1.50.)

THIS is a collection of eight papers, six of which were delivered as lectures at the Johns Hopkins University on the Schouler Foundation in March, 1917, and five of which were subsequently published in the *Century Magazine*. In the main they are devoted to a consideration of what the author regards as the fundamental cause of war, and of the means by which, in his opinion, wars in the future may be avoided. According to Dr. Hill the cause of the present international anarchy is to be found in the traditional conception of sovereignty, which attributes to every independent state a legal right to make war upon another state for such reason as it deems sufficient. From this flows the equally well recognized right of conquest—the right to appropriate territory belonging to the enemy and, with it, dominion and sovereignty over the people who inhabit it, without any regard whatever to their own wishes. This conception of sovereignty, developed during the sixteenth century and recognized and confirmed by the peace of Westphalia, is one of the postulates of European public law and its rightfulness has never been repudiated or questioned by any of the great international congresses or conferences. This in Mr. Hill's opinion is a "monstrous doctrine", a "baneful fiction", a "wicked and infamous dogma", such as would never have been invented by any jurist or statesman "under the constitutional régime". Its effect is to accord to every independent state a place above the law and morality and to make it a sort of "licensed brigand". Instead of the states of the world constituting collectively a "family" of nations in any real sense of the word, therefore, they occupy in respect to one another the position of the "poor, nasty, brutish" individual in Hobbes's state of nature—perpetually in a state of potential if not of actual warfare with one another.

This dogma that a state because of the right of absolute sovereignty attributed to it may lawfully make war upon a neighbor for reasons the